



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

MAR 19 2003

*Administrator*

Washington, DC 20201

Mr. Vincent P. Meconi, Secretary  
Department of Health and Social Services  
1901 N. Dupont Highway  
New Castle, DE 19720

Dear Mr. Meconi:

I am writing with regard to your title XXI section 1115 demonstration waiver application dated May 16, 2002, which seeks to use State Children's Health Insurance Program funds for coverage of a number of population groups currently funded through Medicaid. After extensive review of this proposal by the Department of Health and Human Services, I regret to inform you that we are not approving this demonstration.

Section 1115 of the Social Security Act authorizes the Secretary to waive certain requirements of title XXI as part of a demonstration project when the Secretary believes the demonstration is likely to assist in promoting the objectives of the program. In addition, the Health Insurance Flexibility and Accountability (HIFA) initiative provides for a simplified application process and expedited review of proposals that expand coverage and include coordination of private and public health insurance coverage for the low-income uninsured. The Delaware proposal seeks only to change funding sources for an already covered group, therefore it does not include a coverage expansion. It also does not include a proposal to coordinate with the private health insurance market.

For these reasons, we are not approving this proposal. However, this Administration is very interested in assuring health coverage for individuals with income below 200 percent of the Federal poverty level who are currently uninsured. And, in providing expanded coverage, we encourage states to maximize the use of private health insurance coverage. States have been encouraged to consider implementing these coverage expansions as section 1115 demonstrations through the HIFA initiative. To date, seven states have received approval under HIFA, and these approved demonstrations should serve as models for all HIFA proposals. Our agency remains committed to working with the State of Delaware to draft a proposal that is consistent with the goals of the Administration.

Your Project Officer, Ms. Michelle Everett, would be happy to provide you with any technical assistance you may need in developing a revised HIFA proposal or in answering any questions you may have. Ms. Everett can be reached by e-mail at [meverett@cms.hhs.gov](mailto:meverett@cms.hhs.gov) or by telephone at (410) 786-2017.

Sincerely,

A handwritten signature in black ink, reading "Tom Scully", is written over the word "Sincerely,".

Thomas A. Scully